



December 2005
Edition No. 10

STATE ASSESSEE

NEWSLETTER

Inside this Issue

- 2** Key Dates to Remember
New Telephone Number
for Telecommunications
Inquiries
- 3** Promotions
 - Principal
 - Supervisors
- 4** Electronic Filing
- 5** Reminders
- 6** Extensions
Penalties
Available on the Internet
- 7** Key Personnel - Direct
Access

INFORMATION ON PROPERTY TAX REPORTING 2006

To keep the Board of Equalization's stakeholders informed of new and important information that might affect them, the Valuation Division issues this newsletter. The newsletter contains important information and dates regarding the 2006 valuation process.

The State Board of Equalization (Board) is responsible for assessing property owned or used by all privately owned public utilities operating in California, enabling counties to use those values to collect local property taxes. Property values on the state-assessed roll are allocated by the Board to the counties where the properties are located. Each county collects taxes based upon the allocated values. The taxes are levied at the same rate that is applied to locally assessed property.

The Board's Valuation Division is responsible for annually transmitting value recommendations to the Board. To that end, staff prepares unitary value indicators and fair market value recommendations for each state assessee. These indicators and recommendations, which are developed annually from information provided by state assessesseees, are used by the elected Board to determine the fair market value of the assesseees' unitary property.

We look forward to working with each of you this upcoming valuation season. If you have any questions, please contact us at 916-322-2323.

Stanley Y. Siu, Chief
Valuation Division

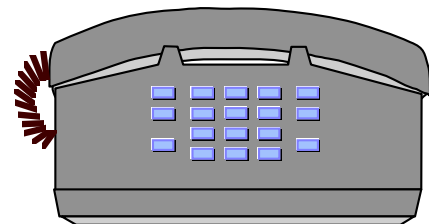


KEY DATES TO REMEMBER IN 2006

January 1	Lien date for all state-assessed property
January 2	Property statement forms mailed to state assessees
January 6	Last day to request placement on the February 1 agenda to make a presentation on factors affecting 2006-07 value of their state-assessed property
February 1	Board will hear state assessees' presentations on capitalization rates and other factors affecting the 2006-07 value of their state-assessed property
March 1	Last day to file Property Statements without penalty
March 27	Last day to request placement on the April 18 agenda to make a presentation on factors affecting 2006-07 values of state-assessed property
April 18	Board will hear state assessees' presentation on the 2006-07 value of their state-assessed property
May	Staff discusses value indicators and supporting data with state assessees
On or before May 31	Board sets unitary values for all state assessees
On or before June 1	Staff mails notice of unitary value to state assessees
On or before June 15	Staff mails notice of allocated assessed values and proposed assessed values of nonunitary property to state assessees
On or before July 15	Staff transmits estimates of total assessed value (Preliminary Board Roll) to County Auditors
July 20	Last day to file a petition for unitary value reassessment and/or a petition for correction of allocated assessment
On or before July 31	The Board adopts and staff transmits Board Roll of State-Assessed Property to County Auditors
September 20	Last day to file a petition for nonunitary property reassessment
December 31	Final day for Board decisions on 2006 petitions for unitary and nonunitary property reassessment and petition for correction of allocated assessment.

New Telephone Number for Telecommunications Inquiries

Due to the volume of telephone calls received regarding the telecommunications industry, the Valuation Division has established a "hot line" for inquiries related to the telecommunications industry. The new number is 916-327-5029. However, if your inquiry is not related to the telecommunications industry the Division's main line, 916-322-2323, has not changed.





Promotions

PRINCIPAL PROPERTY APPRAISER VALUATION DIVISION

Donald L. Jackson was appointed Principal Property Appraiser over the Energy and Telecommunications sections in the Valuation Division. His appointment was effective September 8, 2005.

Don began his career with the Board in 1978 in the Oakland district office of the Board's Sales and Use Tax Department. He transferred to the Valuation Division from the Excise Taxes Division in 1988 and he has worked in various areas of utility valuation. In 1991, he was promoted to Senior Property Auditor Appraiser and was a lead person over the gas and electric and wireless telecommunication teams. Since 2001, he has been a supervisor over the telecommunications teams. Don has also participated in various public utility committees and conferences during his 17 years in the division.

Don received his Bachelor of Science degree in accounting from Golden Gate University.

SUPERVISING PROPERTY APPRAISERS

Louis (Louie) Chapman was promoted to Supervising Property Appraiser, Telecommunications Industry Group, on October 17, 2005. Louie began his career with the Valuation Division's Field Appraisal Section in 1977. As an appraiser in the Valuation Division, Louie has a wide range of experience in appraising real property of public utilities and in the assessment of private railroad cars, telecommunication, railroad, and pipeline companies. Prior to his promotion, Louie was the Senior Specialist Property Appraiser lead person in the Valuation Division's Field Appraisal Section.

Louie received his Bachelor of Science degree in Business Administration with a concentration in Personnel Management from California State University, Sacramento.

Adrienne Harris was promoted to Supervising Property Appraiser, Field Appraisal and Board Roll Support, on October 26, 2005. Adrienne began her career with the Board in 1995. She spent the first eight years in the Valuation Division; initially as an Auditor Appraiser working on Pipelines, Railroads, and Gas and Electric companies, and then as a Property Appraiser serving as the Board Roll Coordinator. In 2004, she took a position with the Board's Investigations Division.

Adrienne has a degree in Business Administration/Accounting from California State University, Hayward.



Electronic Filing

All Valuation Division property statement forms and instructions are available on the Internet. Property Statement forms may be completed online and printed for mailing to the Board.

Access the Board of Equalization Internet site at www.boe.ca.gov. See page 6 for specific directions to the Internet site.

Portions of the property statement that may be filed electronically are detailed below.

DOLLAR-AGE DETAIL REPORT – PIPELINE COMPANIES

Pipeline companies are required to file Dollar-Age Detail Reports. These reports may be filed electronically using a prescribed format and acceptable software. In order to receive a copy of the electronic file format, software specifications or other information, contact Mr. Steven Hieb at 916-324-2745 or by email at Steve.Hieb@boe.ca.gov.

SCHEDULE B-1 - GAS AND ELECTRIC COMPANIES

Gas and Electric companies are required to file Schedule B-1. The B-1 may be filed electronically. In order to receive a copy of the electronic file format, software specifications or other information, contact Mr. Sang Le at 916-324-2753 or by email at Sang.Le@boe.ca.gov.

SCHEDULE OF COST DETAIL OF DEPRECIABLE PROPERTY

Short-Line railroad companies are required to file a Schedule of Cost Detail of Depreciable Property. The schedule may

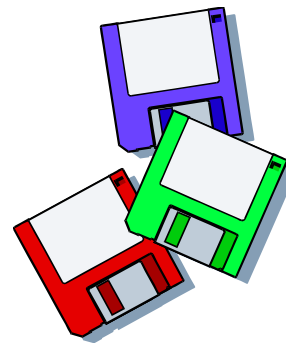
be filed electronically. In order to receive a copy of the electronic file format, software specifications or other information, contact Mr. Steven Hieb at 916- 324-2745 or by email at Steve.Hieb@boe.ca.gov.

TANGIBLE PROPERTY LIST (TPL) DATA

A compact disc or 3.5-inch diskette should be used to file an electronic TPL. In order to facilitate an acceptable electronic filing, please request the required electronic TPL template. To obtain the template and instructions, contact Mr. Jim Santillan by telephone at 916- 322-3812 or by e-mail at Jim.Santillan@boe.ca.gov.

WIRELESS COMMUNICATION SITES - FORM BOE-516

Wireless telecommunication companies are required to file Form BOE-516. The form may be filed electronically. In order to receive a copy of the electronic file format, software specifications or other information, contact Mr. Kurt Beck at 916- 324-2753 or by email at Kurt.Beck@boe.ca.gov.





Reminder

CLAIMED OBSOLESCENCE

Assesseees should report separately, and in sufficient detail, supporting data for any write-downs of cost, extraordinary damage or obsolescence, or any other information that may assist the Board in estimating the fair market value of assessable property.

EXEMPT SOFTWARE

Computer programs other than basic operational programs are not subject to property tax (Revenue and Taxation Code sections 995 and 995.2). All software programs except “basic operational programs” may be referred to as “exempt software programs” or “nontaxable programs.” It is the assessee’s responsibility to identify and remove all exempt software program costs from taxable accounts and report these costs separately to the Board on the Schedule B and Summary Control portions of the Property Statement.

For questions concerning the identification of exempt software, please refer to Board Rule 152 or contact the Valuation Division.

LEASED PROPERTY

Pursuant to Revenue and Taxation Code section 826, all property owned, claimed, possessed, used, controlled or managed by a state assessee shall be reported on the property statement. This includes property leased from other state assesseees, leasing companies, financial institutions, equipment vendors or governmental agencies. Property that is specific to the business normally conducted by the state assessee may be assessed to the assessee even if the lease contract obligates the lessor to pay the property tax.

STATEMENT OF AUTHORIZATION

If a state assessee wishes to designate a representative during the period January 1, 2006 through December 31, 2006, a *Statement of Authorization*, form BOE-892, must be filed. This form must be filed annually in order for the representative’s status to remain current.

The *Statement of Authorization* is intended to guard against unauthorized access to confidential taxpayer information.

STATEMENT OF LAND CHANGES

State assesseees must report all land (other than land associated with intercounty pipelines) that is owned or used (leased) on form BOE-551, Statement of Land Changes (SLC). Specifically, all lands that have been acquired or disposed of (including partial sales or leases) since the prior lien date must be reported on this form. ***When land, rights of way, or easements are reported on the Property Statement form BOE-517, Schedule B in the additions or retirements column a SLC must be filed with the Valuation Division.***



EXTENSIONS

Requests for an extension to file all or part of the property statement will be granted ***only for good cause***. Voluntary special studies are considered part of the property statement.

A request for extension must be filed on form BOE-517-EXT, and must include all pertinent information and be signed by an owner, partner, officer or authorized representative. Extension requests must be filed on or before March 1, 2006. Faxed requests should be sent to 916-324-2787. If a request is faxed, an original in the regular mail must follow.

An extension is not automatically granted.

The assessee will be notified by mail whether the extension is granted or denied. If granted, the notice will state the extension date.

Penalties

Section 830 of the Revenue and Taxation Code provides the authority for the Board to impose penalties for failure to file a property statement, or failure to file a timely and/or complete property statement. The following is a summary of the provisions.

If any person who owns, claims, possesses, uses, controls or manages state-assessed property fails to file a property statement, in whole or in part, by March 1, or by that later date to which the filing period is extended, a penalty shall be added to the full value of the assessment.

AVAILABLE ON THE INTERNET

- Calendar for the Assessment of Public Utilities
Updated Annually – January 2
- Capitalization Rate Study
Updated Annually – March
- Property Statement Reporting Forms
Updated Annually – January 2
- Property Statement Reporting Instructions
Updated Annually – January 2
- Reproduction Cost New (RCN) Factors
Updated Annually – February
- Recommendation for Assessment of State-Assessed Property - 2005
- *State Assessee Newsletter*
Updated Annually - December
- State Assessee – SBE No. Listing
- *State Assessment Manual*, March 2003
- *Unitary Valuation Methods*, March 2003
- Review of Property Tax Petitions by Appeals Division of Legal Department (procedures)

INTERNET SITE DIRECTIONS

1. www.boe.ca.gov
2. Property Taxes
3. State-Assessed Properties Program



Key Personnel - Direct Access

To serve you better, we are providing below direct access to key personnel responsible for specific subjects or industries. If you have questions regarding completion of the property statement, please contact the appropriate individual.

SUBJECT	CONTACT	TELEPHONE NUMBER	E-MAIL ADDRESS
Electric Generation	Ms. Esther Lai	916-324-2969	Esther.Lai@boe.ca.gov
Fiber Optic Right of Way	Mr. Louie Chapman	916-324-0032	Louie.Chapman@boe.ca.gov
Gas and Electric	Mr. Sang Le	916-324-2753	Sang.Le@boe.ca.gov
Gas Transmission	Mr. Steven Hieb	916-324-2745	Steve.Hieb@boe.ca.gov
Pipeline	Mr. Steven Hieb	916-324-2745	Steve.Hieb@boe.ca.gov
Railcar Maintenance Facilities	Mr. Steven Hieb	916-324-2745	Steve.Hieb@boe.ca.gov
Railroad	Mr. Steven Hieb	916-324-2745	Steve.Hieb@boe.ca.gov
Real Property	Ms Adrienne Harris	916-323-0414	Adrienne.Harris@boe.ca.gov
Statement of Land Changes	Ms Adrienne Harris	916-323-0414	Adrienne.Harris@boe.ca.gov
Tangible Property List	Mr. Jim Santillan	916-324-2790	Jim.Santillan@boe.ca.gov
Telecommunications - General		916-327-5029	
Interexchange Telephone	Mr. Kevin Smith	916-324-2973	Kevin.Smith@boe.ca.gov
Local Telephone	Mr. Bing Caragay	916-324-2751	Vivencio.Caragay@boe.ca.gov
Wireless Telephone ¹	Mr. Kurt Beck	916-324-2702	Kurt.Beck@boe.ca.gov
All Other Questions		916-322-2323	
FAX		916-324-2787	
Internet Site			www.boe.ca.gov

¹Wireless Telephone includes Cellular, Personal Communication Service (PCS), and Radio Common Carrier providers.